

Virginia Individual Development Accounts (VIDA)



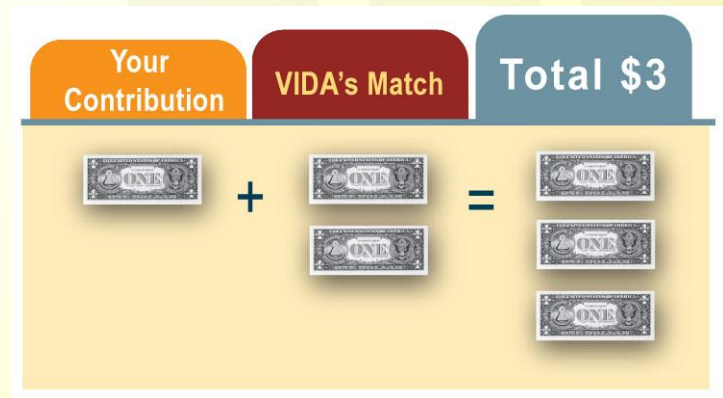
**VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT**

Partners for Better Communities

www.dhcd.virginia.gov

What is VIDA?

- Saving - learning to save on a consistent basis and utilizing financial institutions
- Financial education - enhancing one's financial knowledge
- Acquiring assets – building wealth, matched savings 1:2 ratio, matched up to \$4,000



How can the money be used?

- The combined savings can be used to:
 - Purchase a home (first-time homebuyers)
 - Start a business
 - Obtain an education (education for self, spouse or child and includes undergraduate or graduate degrees)

How does it work?

- Program is offered through intermediaries
- Participant works with intermediary to access VIDA services
- Completes application to the program, sets goals, id credit issues, establish a savings plan
- Coordinates training with intermediary
- Once enrolled, starts saving monthly

Participant eligibility:

- U.S. citizen or legal resident, residing in Virginia, 18 years of age or older
- Meet the household income and household net worth requirements
- Have earned income(part-time, full-time, self-employed)

2012 Income Limits

Total number of people within household	Maximum household income allowed annually	Maximum household income allowed monthly
1	\$22,340	\$1,862
2	\$30,260	\$2,522
3	\$38,180	\$3,182
4	\$46,100	\$3,842
5	\$54,020	\$4,502
6	\$61,940	\$5,162
7	\$69,860	\$5,822
8	\$77,780	\$6,482
9 or more: add this amount to annual income for each additional person	\$7,920	\$660

The saver must:

- Save at least \$25 per month using direct deposit
- Complete financial education and asset specific training provided by the intermediary site.
- Complete training prior to making a match funds request.
- Six-month minimum participation required.



The saver (continued):

- Has up to two years to complete the program from their enrollment date
- Can deposit earned income and tax refunds into the account, EITC Campaign
- The participant's money is the only money held within the account; the participant's savings and earned match funds are sent directly to the vendor for the asset purchase

Cherrelle's Story:



VIDA funds along with assistance from VEI

VIDA Quick Stats

- Total of 317 savers graduated
- 208 participants made a home purchase
- 109 used their savings towards business or education
- Average match used \$3,312
- Over the five year program savings totaled \$960,860

Intermediary Roles and Responsibilities

- Participants work with intermediary to access VIDA services
- Markets program and recruits candidates
- Assists applicants with the application process, determining candidate eligibility, ID credit issues, establish a savings plan
- Coordinates training for enrolled savers
- Assists with asset identification and asset purchase

Intermediary

Approve

- Determine eligibility; maintain eligibility paperwork
- Use electronic portal

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Enroll

- Open custodial account at Wells Fargo, BBT or VCC
- Draw & hold match for savers

Prepare...

Intermediary

- Assist in development of personalized action plan/timeline for 2-year enrollment period
- Monthly review savings balance & action plan

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- Provide saver statements to intermediaries
- Direct mail pieces

Saver

- Develop & follow personalized action plan/timeline for 2-year enrollment period
- Monthly review savings balance & action plan

Assist...

Intermediary

- Connect saver to ALL possible resources during program & at purchase time
- Assure savers are using reputable vendor

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- Connect intermediaries to appropriate DHCD resources and others

RFP

- Not competitive
- Threshold-based (will consider geography)
- Application is performance-based
- Looking for **performers**, **old** and new
- Looking for **capacity – what resources do you have to support asset goals**
- Generally information you already have on hand, if you are serving low income/low wealth population

How can you help Virginia's next homeowner, entrepreneur or student?

- Inform your clients about the benefits of becoming a VIDA saver and encourage them to contact an existing intermediary to apply to the program (intermediary list available November 11th); or
- Consider having your organization apply to become a VIDA intermediary

VIDA Program

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